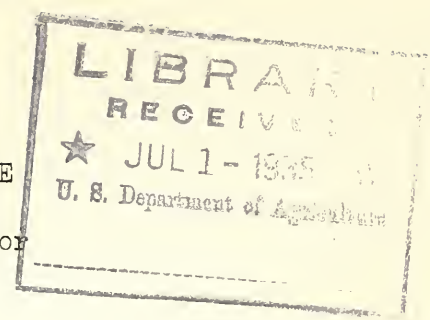


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UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration
Alfred D. Stedman, Assistant Administrator
Director, Division of Information,
Washington, D. C.



No. 78

June 15, 1935

To Editors of Farm Journals:

The following information is for your use.

DeWitt C. Wing

DeWitt C. Wing,
Specialist in Information.

BUTTER IMPORTS AND BUTTER IN STOPAGES

In answer to questions from a farm paper editor, the AAA dairy section points out that imports of butter through the first four months of 1935 totaled 17,469,000 pounds, or \$2,837,000 in value.

Statements that half of the total supply of creamery butter now in cold storage in the United States is made up of imports are regarded with surprise and doubt by specialists in the Cold Storage and News sections of the United States Department of Agriculture. These specialists keep constant check on current situations.

Available figures as of June 1 indicate that there are about 37,000,000 pounds of butter in storages throughout the country. Up to that date a total of 23,000,000 pounds of foreign butter had been imported since January 1, 1935. Half of this cold storage volume as of June 1 is about 18,500,000 pounds. This is 4,500,000 pounds less than all imports of butter since the first of the year. It is improbable that only 4,500,000 pounds of foreign butter went into direct consumption, leaving half of the total cold storage volume in foreign butter.

In this country since January last the total butter manufactured up to June 1 was about 617,000,000 pounds. Total imports of butter, therefore, since that time to June 1 represent about 4 percent of the domestic output in that period.

In the first four months of 1935, the production of oleomargarine, both animal and vegetable in origin, totaled 145,609,000 pounds. In the same period in 1934, it was 80,523,000 pounds.

#

AAA POLICY ON MARKETING AGREEMENTS AND LICENSES

Following is the text of a telegram recently sent by Chester C. Davis, Administrator of the Agricultural Adjustment Act, in reply to inquiries concerning future plans of the Administration as to the maintenance of its marketing agreements and licenses:

"The Agricultural Adjustment Administration has NO thought of abandoning either its present program of marketing agreements for fruits and vegetables or its milk marketing plans. On the contrary, we are now working with congressional leaders on amendments designed to strengthen these marketing agreements and milk plans. Efforts are being made to revise these proposed amendments in the light of the Schechter decision, so as to retain the substance of the marketing agreement programs while modifying enforcement procedure to conform to customary government regulatory practice readily sustainable in court."

#

2,918,687 VOTES CAST IN AAA REFERENDA

A recapitulation of final figures from the four agricultural referenda held during the last eight months has been announced by the Agricultural Adjustment Administration. The total vote cast in the four referenda, according to figures which are approximately complete, was 2,918,678. Of this number the vote in favor of continuing the agricultural programs was 2,511,109, and the total of those opposing was 407,983.

More than 86 percent of the votes cast favored a continuance of the programs. Also, the total vote shows that the percentage of farmers who participated in the several referenda, compared to the total number of those who were eligible to vote, was considerably higher than the usual percentage of eligibles voting in civil elections.

The total vote was divided as follows: in the corn-hog referendum, 535,690; on the Bankhead cotton Act, 1,521,887; on the Kerr-Smith tobacco Act, 394,540; in the wheat referendum, 466,561.

The vote for continuance of the respective programs was: Corn-hogs, 374,585; cotton, 1,361,347; tobacco, 370,907; and wheat 404,270.

In the corn-hog referendum approximately 70 percent of the votes cast were in favor of continuing the adjustment program. This was the lowest percentage supporting the program in any of the referenda. The percentages in the other three referenda were as follows: Cotton, over 89 percent; tobacco, over 97.3 percent; and wheat, over 86 percent.

Those voting on the Kerr-Smith tobacco Act voted on the basis of acreage and more than 92 percent of the acreage was voted in favor of continuance of the Act. This was the only program under which voting was on an acreage basis.

#

RAINS IN DROUGHT AREA SHIFT RELIEF METHODS

Grass and green feed crops are gaining sufficient growth to sustain livestock in a large part of the area stricken by the spring drought of 1935. Consequently, the Government's drought relief operations are being centered on methods for facilitating return of foundation livestock to the drought areas, and distributing crop seeds especially adapted to these areas. The Federal Livestock Feed Agency is curtailing its activities and the Cattle Transfer Unit is discontinuing operation.

Most of the drought area of 1934 was relieved by spring rains, but a large sector comprising 131 counties in eastern Colorado, western Kansas, southwestern Nebraska, northeastern New Mexico, western Oklahoma and west Texas was designated as drought territory as of May 17, 1935. Timely rains during the latter part of May have to a great extent removed the danger to crops in this area, except for a number of counties in Texas, Colorado, Oklahoma, and New Mexico. The drought designations will be effective until June 30. New designations as of July 1 will include counties where any danger remains, and where the areas have not returned to a self-supporting basis in livestock feed.

Western railroads cooperating with the Government in drought activities issued June 4 a tariff extending to producers who shipped cattle out of the drought area in 1934 for feeding, the privilege of returning such cattle up to and including June 30, 1936, at 15 percent of the normal commercial rate. Cattle shipped out of the drought area during the period June 4, 1934 to December 31, 1934, under the emergency tariff, are eligible for the reduced return 15 percent rate. Cattle shipped out of the 1935 drought area after and, up to and including July 20 at the reduced rates, also may be shipped back before June 30, 1936, at the 15 percent rate.

On June 5 western carriers also put into effect a tariff which reestablishes reduced rates on inshipments of hay, straw and other roughage to the 1935 drought area, which received rains only recently and will continue to rely upon shipments of dry feed until pasture has attained sustaining growth. Under this rate, shipments of hay to the 131 drought counties in Kansas, Colorado, Oklahoma, Texas, New Mexico and Nebraska command a rate of 66-2/3 percent of the normal hay rate, while straw and other roughage may be shipped into the area at 50 percent of the normal hay rate. The new rate expires August 31, 1935.

The Federal Livestock Feed Agency's main office at Kansas City will remain open for the next few weeks to aid the "dust bowl" section of the Great Plains which will have to continue on a dry feed basis until pasture is ready. The Agency did much toward assisting livestock producers through one of the most adverse periods they had ever faced. When it became evident last summer that drought would cause a feed shortage which might mean the collapse of the livestock industry, the Government in conjunction with state authorities launched a program of forage conservation and production. In five states outside the drought belt 1,000,000 more tons of corn fodder than usual were harvested, releasing vast quantities of hay for drought areas. The fodder not utilized in the states where it was produced was marketed in drought areas through the Forage Conservation office of the Agricultural Adjustment Administration.

The Federal Livestock Feed Agency was set up jointly by the Bureau of Agricultural Economics and the Agricultural Adjustment Administration. Arrangements were made for importation of several thousand tons of hay and straw from Canada. The Government took an option on 40,000 tons of soybean hay in Illinois to assure harvesting for hay instead of for seed and this was distributed in Kansas, Nebraska, and Missouri. Under an arrangement with the molasses industry large quantities of blackstrap molasses were made available at a stipulated price.

The Information service of the Agency located surplus supplies of feed, and made this information, together with cost data, available to feeders. A continuing inventory of feed supplies was kept. At the outset 165,000 carloads of hay and other roughage were listed, exclusive of the corn fodder and stover contracted for under the forage conservation program, and the 40,000 tons of soybean hay. More than 10,000 inquiries on sources of feed were received.

The cattle transfer unit located winter pastures and winter feed supplies to be utilized on farms where produced. Large numbers of livestock were moved from the drought belt during the winter months. The unit was discontinued January 31, but was reestablished in April when the "dust bowl" area failed to receive spring rains. During its existence the unit aided the movement of thousands of head of livestock to pastures as close to home as possible. Listings of pasturage with the unit totaled about 2,000,000 acres.

A review of the cooperative program for alleviating 1934 and 1935 drought losses shows that the Government has distributed over 12,000,000 bushels of adapted seed varieties, and has made available through information and distribution, some 3,000,000 tons of forage.

#

AAA ASKS BIDS ON DAIRY PRODUCTS

The Agricultural Adjustment Administration has asked for bids on cheese, butter and spray process skim milk. Purchases of the three commodities will be turned over to the Federal Surplus Relief Corporation for distribution to needy families. As in the case of former similar purchases, payment will be made with funds appropriated for the purpose.

Bids on American cheese will be opened June 24, the awards to aggregate about 1,000,000 pounds. All cheese purchased must be of the quality known as U.S. Grade No. 1, and must be graded by representatives of the Bureau of Agricultural Economics. Age of storage cheese when graded must not be less than 20 days. All deliveries must be completed before August 1.

Bids on butter will be opened June 25. Awards are expected to total about 5,000,000 pounds. Both fresh butter and storage butter will be purchased. No lot of less than 20,000 pounds will be purchased. Deliveries of fresh butter will be made at weekly intervals, beginning July 1. Prices paid for fresh butter will be based on a differential over market quotations as submitted by the bidder. All butter must be weighed and graded by representatives of the Bureau of Agricultural Economics.

In the event awards cannot be made for a sufficient amount of butter, the Adjustment Administration will consider open market buying.

Bids on dry skim milk will be opened June 29. Awards totaling about five million pounds are expected. Only Class A "Extra" grade for human consumption will be accepted. Inspection by the Bureau of Agricultural Economics is required. First deliveries are due July 8. Contracts must be completed by September 30.

#

FOUR MILK LICENSES AMENDED

Amended AAA milk licenses became effective on June 1 in Boston, Mass., Kalamazoo, Mich., and Wichita, Kans. An amended license for Topeka, Kans., became effective on June 14. In the Boston license the principal point in the amendment is the continuation of the present Class 1 price, payable to producers, of \$3.49 per 100 pounds of 3.7 percent milk, or 7-1/2 cents a quart, subject to decision under a former amendment as of June 1.

The amendment also provides that distributors must pay new producers the Class 2, or cream price, for all their deliveries during a 90-day probation period. It adds a significant provision, required by the nature of the market, to the effect that cooperative associations of producers may make deductions from milk payments to their membership in an amount not exceeding 10 cents per 100 pounds. This sum of 10 cents as a maximum deduction is twice the sum of 5 cents now deducted from payments for milk from producers for whom no cooperative association services, such as market information and checking of tests and weights, are rendered. It is felt that the 10-cent maximum on deductions is sufficient margin to cover reasonable managerial expenses, credit protection, and other special services provided by a cooperative. However, there is nothing in the license to prevent any cooperative association from securing all the additional funds from its own members that it may require by means of stock issues or certificates of indebtedness. The purpose of the limitation on deductions is to prevent the reduction of the licensed price to producers who belong to any association for the purpose of meeting operating losses incurred in distribution, possibly without the knowledge of the members. It tends to establish an equality between producers and discourage harmful competition.

Retention of the Class 1 price of \$3.49 per 100 pounds is justified by the relatively slow growth of pastures and the fact that New England dairymen are obliged to buy a major portion of their feed at advanced prices, as well as the fact that producers' representatives believe any reduction at present in the Class 1 price would result in a shortage of milk when the peak demand period occurs in July and August, which is later than the peak production period of May and June.

* * *

In the Kalamazoo license the amendment advances the Class 1 price from \$1.85 per 100 pounds of 3.5 percent milk to \$2, or from about 3.9 cents to 4.3 cents a quart, and also slightly advances the return to producers for milk used as Class 2 or for cream purposes, from a premium of 35 cents over 3.5 times the average Chicago wholesale 92 score butter quotation to 40 cents premium over that figure.

The advance to producers is believed advisable because of relatively stable production conditions in the area, better consuming demand, based on more normal employment conditions, and because the new schedules are in line with price levels of competitive manufactured dairy products. The distributors have been paying producers the \$2 price for Class 1 milk since March 1, 1935, although the license itself defined a minimum price of \$1.85, and are agreeable to continue such rate of payment.

* * *

The only change in the Wichita license is a reduction of the minimum price payable to producers for Class 1 milk from 60 cents to 50 cents a pound of butterfat, or from about 4.9 cents to 4.1 cents a quart on 3.8 percent milk. The new price is deemed advisable because of steadily increasing volume of production, with little or no increase in sales of fluid milk for direct consumption as Class 1, making a temporary lowering of the Class 1 price seem practical to the agencies on the market, at least during the period of flush production.

* * *

Of the two important modifications of the Topeka, Kans., license, the first obligates distributors to pay 50 cents a pound of butterfat for all milk used in Class 1 sales instead of 60 cents a pound as before. Increased production and a decline in the butter market are the chief reasons for making the change in price. The second modification gives producers new advantage by providing that hereafter all sales of sweet cream will be included in Class I or fluid milk sales for purposes of payment to producers. Sweet cream was formerly in Class II.

#

GAUMNITZ HEADS AAA DAIRY SECTION

A. H. Lauterbach has resigned as chief of the AAA dairy section effective July 1, to become general manager of the Inter-State Milk Producers' Association, Inc., of Philadelphia. Edwin W. Gaumnitz, assistant chief of the section, will succeed Mr. Lauterbach on the same date. Mr. Gaumnitz is a native of Minnesota. He has been associated with the Agricultural Adjustment Administration dairy program since its inception in May, 1933. Previous to that time he was associated with the Bureau of Agricultural Economics, where he was engaged in research in dairy and poultry products. As a part of this work, he made studies jointly with authorities in various States and with other branches of the Federal Government. Before coming with the United States Department of Agriculture, Mr. Gaumnitz taught agricultural economics at the University of Minnesota,

served as an extension specialist in marketing dairy and poultry products in Iowa, and with the Division of Markets, California State Department of Agriculture.

#

FLUE-CURED TOBACCO GROWERS' REFERENDUM

A referendum will be conducted this month to determine whether growers of flue-cured tobacco favor a production adjustment program to follow the present flue-cured program which expires with the 1935 crop. Flue-cured tobacco is grown chiefly in North Carolina, South Carolina, Virginia, Georgia and Florida. All share-tenants, share-croppers, renters and landowners who are actually engaged in production of tobacco in 1935 will be eligible to vote in the referendum regardless of whether they have signed production adjustment contracts.

The ballots will carry the question: "Are you in favor of a tobacco production program to follow the one which expires with the 1935 crop year?" Ballots will be distributed to growers when acreage compliance is checked. In areas where this method of distribution is not convenient, the ballots will be mailed to eligible voters.

Ballots may be signed and returned to the county agent's office at any time prior to 7 p.m. on June 29, 1935. Unsigned ballots will be accepted on June 29, the final voting day, if deposited by the grower at the official polling place at the county agent's office.

As ballots are received in the county agent's office prior to June 29, they will be checked against the eligible voting list. Any names not included on the voting list may be added and votes accepted for such persons if it is determined they are engaged in growing tobacco in 1935. As soon as possible after the close of the voting, results of the referendum will be posted for public inspection and will be made available to interested newspapers and press associations.

While the exact nature of the 1936 program, should one be favored, has not yet been definitely decided, each ballot has printed on the back an outline of the principal features under consideration for possible incorporation in a new flue-cured program.

#

HEARING ON COTTON PROCESSING TAX

Does the AAA processing tax on cotton prevent, is it preventing, or will it prevent in whole or in large part the use of cotton as a filling material for mattresses, pillows, pads and cushions? A public hearing on this question in Memphis, Tenn., June 17, will indicate the answer.

The Agricultural Adjustment Act provides for the suspension or refund of the tax if it is determined at a public hearing that any class of products of any commodity on which a processing tax is levied is of such low value, considering the quantity of the commodity used for their manufacture, that the imposition of the processing tax would substantially reduce the consumption and increase the surplus of the commodity.

#

SUGAR BEET GROWERS ADVISED OF CHILD LABOR COMPLIANCE

Sugar beet production control committees are advised by the AAA that full compliance with the child labor provisions of sugar beet production adjustment contracts must be checked and certified before the final 1934 and first 1935 adjustment payments can be made. The sugar beet production adjustment contract prohibits labor of children under 14 years of age in sugar beet fields and limits the labor of children between 14 and 16 years to 8 hours a day. Children of a producer signing the contract are exempt from this provision, as well as children of tenants who actively participate in management of a farm they lease.

Officials of the Sugar Section pointed out that the recent decision of the Supreme Court on NRA codes does NOT affect the labor provisions of the sugar adjustment contracts, as these provisions are based upon voluntary agreement between the Government and the producers.

#

SEPARATE SUGAR PROCESSING TAX FUND FOR HAWAII

A separate sugar processing tax fund of \$500,000 has been established for the Territory of Hawaii by proclamation of the President dated June 7. Under the terms of the Jones-Costigan Act and the Emergency Relief Appropriation Act of 1935, this fund may, with the approval of the President, be used and expended for the benefit of agriculture and other purposes, including general expenditures under the Relief Act in the Territory of Hawaii.

#

MOLASSES FROM SURPLUS SUGAR CANE EXEMPT FROM PROCESSING TAX

Molasses and sirup made from sugarcane that is surplus under sugarcane adjustment contracts has been exempted from payment of the processing tax, if these products are used for livestock feedstuffs or for distillation.

The exemption under Sugar Regulations, Series 1, No. 2, approved June 3, applies mainly to Puerto Rico and to the Philippines. In both areas, administrative rulings on the production adjustment contracts provide that sugarcane in excess of that needed to produce the sugar quotas for the area may be ground into molasses or sirup for shipment to the United States to be used for livestock feedstuffs or distillation purposes.

#

TWO FLORIDA MELON SHIPPERS TO SHOW CAUSE

Two Florida shippers have been directed to show cause why their licenses to handle watermelons grown in the southeastern states should not be revoked or suspended. The shippers, S. A. Fields & Co. and A. H. Bourlay, both of Leesburg, Fla., are charged with violating the terms of the license. The industry's Control Committee has ruled that shipments of watermelons from the southeastern states be confined to melons of U.S. grade No. 1 or U.S. grade No. 2, and that all shipments be inspected and certified by the Federal-State Inspection Service. Both of the shippers named are charged among other things with having shipped watermelons out of the southeastern area without inspection or certification. Both of the show-cause orders direct that answers be filed on or before June 25, 1935.

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AAA RENTAL AND BENEFITS EXCEED \$727,000,000

Rental and benefit payments to producers cooperating in AAA programs, expenditures in connection with programs for removal and conservation of surplus agricultural commodities, and other adjustment expenditures chargeable against receipts from processing taxes, reached a total of \$790,062,385.33 as of May 1, 1935, cumulative during the two years, since the date of organization May 12, 1933. For the same period, processing tax receipts totaled \$824,430,579.15, according to the comptroller's last monthly report.

The report also lists expenditures amounting to \$211,533,906.50 up to May 1, 1935, which are chargeable against net appropriations of \$398,418,639.60, or are financed through special trust fund receipts, and which are NOT financed by processing taxes.

The total of all expenditures up to May 1 for which funds are provided, either by processing taxes or by specific appropriations, is \$1,001,596,291.83 made up of rental and benefits of \$727,391,226.08; removal of surplus operations involving \$225,430,069.48, and administrative expenses of \$48,774,996.27. These total expenditures compare with total funds available, from both appropriations and processing tax receipts, of \$1,222,849,213.75.

The report includes the following expenditures for which processing tax funds are available: Rental and benefit payments, \$690,403,173.01; removal and conservation of surplus agricultural commodities, \$63,855,706.91; and administrative expenses \$35,803,415.41.

Rental and benefit payments, from funds available through processing taxes cumulative for all adjustment programs, by commodities, are as follows: Cotton, \$225,985,152.40; wheat \$163,592,147.41; tobacco, \$33,573,077.23; corn-hogs, \$256,366,878.10; and sugar, \$10,885,917.87. Removal of surplus operations paid out of processing taxes include: Hogs, \$46,083,678.96; wheat, \$6,097,239.21; dairy products, \$10,958,431.25; sugar, \$365,536.44; and peanuts, \$350,911.05.

Processing tax collections of \$824,430,579.15 reported up to May 1, by commodity on which collected, total as follows: Wheat, \$223,604,731.12;

cotton, \$227,973,845.37; compensatory taxes on paper and jute, \$12,200,580.80; tobacco, \$44,709,132.99; field corn, \$10,234,530.94; hogs, \$243,489,535.35; sugarcane and sugarbeets, \$54,282,978.55; peanuts, \$2,933,973.77; rice, \$5,632.31; cotton ginning tax under Bankhead cotton control Act, \$813,902.64; tobacco producers' sales tax under Kerr-Smith tobacco control Act, \$3,208,586.32; unclassified, \$973,148.99.

The class of expenditures covered by specific appropriations or trust fund receipts, include: \$36,988,053.07 in rental and benefits paid under the corn-hog program, from funds available under Bankhead amendment appropriation; \$6,157,696.18 removal of surplus dairy products, for which funds were provided under the LaFollette Amendment to the Adjustment Act; \$119,060,300 expended as drought relief measure in purchase of drought cattle, from funds under the Jones-Connally Amendment to the Adjustment Act, and from funds allocated for that purpose from the 1935 Emergency Appropriations Act; \$7,702,288.20 for the purchase of drought sheep, from funds allocated under the Emergency Appropriations Act; \$17,310,068.08 for conservation of adapted seed varieties in the drought area, from funds allocated under the Emergency Appropriations Act; \$49,160.79 paid to rice growers as a part of the minimum price set up under the rice marketing agreement from funds provided by millers paid into a special trust fund; \$11,294,759.32 paid producers selling excess 1934 cotton tax-exemption certificates from funds received through the sale of such certificates and \$12,971,580.86 of the Administrative expenses, from funds appropriated for expenses under the Act.

This comptroller's report, which lists rental and benefit payments by commodity, state and county, will be the last of the monthly reports, cumulative from May 12, 1933. Succeeding reports will be on a revised basis, giving expenditures cumulative for the current fiscal year.

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SOUTHERN BUYING INCREASES SALES IN INDUSTRIAL STATES

Carlot shipments, from 16 northeastern industrial states, of industrial and manufactured commodities for use generally in industry, in homes and on farms in 10 states of the agricultural Southeast, were 31.3 percent higher in the year ending June 30, 1934, than in the year ending June 30, 1933, according to a study made by the Agricultural Adjustment Administration.

Figures showing increases in shipments of commodities to the Southeast, for other than general uses, have already been announced by the Agricultural Adjustment Administration. Shipments of all industrial and manufactured products increased 38.8 percent.

Information on which the study is based was obtained by examining waybills of carlot shipments of goods into the Southeast over the Southern Railway System, the Central of Georgia Railroad, the Louisville and Nashville Railroad, and the Illinois Central Railroad. The waybills examined represented more than 95 percent of the total weight of all shipments delivered in the Southeast by the four railroads. The shipments originated on 139 railroads operating in the Northeast.

The study of waybills covered interstate commerce between the two regions for two successive periods of one year each. The first year, ending June 30, 1933, preceded the actual launching of the Agricultural Adjustment Administration and other recovery programs. The second year, ending June 30, 1934, covered a period when these programs were in effect. In the states of the agricultural Southeast, the Agricultural Adjustment Administration had in operation adjustment programs for cotton and tobacco. During the first year in which these adjustment programs were in operation, the cash income of farmers in that region increased 59.9 percent.

Shipments of automobiles and automobile parts and accessories into the Southeast reflected the improved financial status of agriculture in that region. The study shows that in the first year in which the effects of the recovery program had begun to be felt, shipments of automobiles, automobile parts and accessories increased 63 percent, from 267,317,944 pounds in the year ending June 30, 1933, to 435,672,725 pounds in the year ending June 30, 1934. Shipments of trucks from the 16 northeastern industrial states to the Southeast, increased by 9.1 percent, from 5,535,934 pounds to 6,041,306 pounds.

Shipments of gasoline, oil and other petroleum products increased by 3.5 percent, from 334,475,220 pounds to 346,199,882 pounds. Shipments of anti-freeze increased by more than 12 times, from 87,500 pounds to 1,073,136 pounds. Shipments of airplanes and parts were up by 468.5 percent, increasing from 32,400 pounds to 184,200 pounds. Bicycles, motorcycles and velocipedes showed an increase of 105.5 percent, from 210,197 to 431,856 pounds.

Paper and paper products increased from 134,521,336 pounds to 178,600,653 pounds or 32.8 percent. Magazines, books, catalogs and other advertising matter increased from 4,211,410 pounds to 5,677,813 pounds, or 34.8 percent, indicating that publishing and advertising were feeling the effects of improved conditions.

School supplies, along with organs and equipment, increased, but school furniture and hospital supplies decreased.

Supplies and equipment of general utility showed striking increases. Drugs and chemicals were up by 25 percent, from 115,574,895 pounds to 144,424,797 pounds.

Shipments of glass and glassware increased from 51,905,656 pounds to 84,803,995 pounds, or 63.4 percent. Rubber and rubber goods increased from 1,023,061 pounds to 2,732,369 pounds, or 167.1 percent. Leather and leather goods increased from 3,118,697 pounds to 5,300,855 pounds, or 70 percent. Wooden millwork increased from 11,775,539 pounds to 15,560,169 pounds, or 32.1 percent. Paint and varnishes increased from 9,704,193 pounds to 11,032,774 pounds, or 13.7 percent. Shipments of nails increased from 13,336,118 pounds to 24,506,091 pounds, or 83.8 percent. Shipments of rope and twine decreased by 13.7 percent, from 2,218,601 pounds to 1,914,610 pounds.

Clay and clay products showed an increase of 34.0 percent, from 13,477,790 pounds to 17,546,996 pounds. Tin, tin plate and tin cans showed an increase of 24.3 percent, from 35,327,766 pounds to 43,992,805 pounds. Soaps increased by 16.2 percent, from 62,278,520 pounds to 72,338,722 pounds. Explosives increased by 8 percent from 3,427,378 pounds to 3,702,952 pounds. Ink showed an

increase of 16.2 percent, from 1,028,261 pounds to 1,195,024 pounds.

The 10 states in which the industrial commodities were delivered were Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Tennessee, Kentucky and West Virginia.

The 16 states from which these industrial commodities were shipped were Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, Pennsylvania, New Jersey, Delaware, Maryland, Ohio, Michigan, Indiana, Illinois and Wisconsin.

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HOW THE AAA PROTECTS CONSUMERS

In its issue of May 20, 1935, the Consumers' Guide, published by the Consumers' Counsel of the Agricultural Adjustment Administration, quotes Administrator Chester C. Davis as follows:

"When a commodity-control program, a marketing agreement, or a licensing agreement is under consideration, it is essential that both producers' and consumers' interests be represented by trained economists, highly skilled in research and in the interpretation of economics. In many cases, there is no conflict of interests; the consumer wants the producer to receive the kind of returns for his produce that will insure the continuance of an adequate food supply, and the farmer wants the consumer to be able to buy an adequate volume of farm products. In some cases, where there is some apparent conflict on particular points, it is the function of the Consumers' Counsel to represent the consumer and assist in finding the point of maximum justice to both producer and consumer.

"Once a program, a marketing agreement, or a license is in effect, it is the function of the Consumers' Counsel to observe its operation, and determine whether or not the results anticipated at the time it was framed are actually being obtained. Should it appear that they are not, the Counsel has a double duty, a duty to urge reconsideration of the program within the AAA to see if the fault needs to be remedied by a change in the provisions of the program, and a duty to give publicity to the facts as they exist.

"The giving of publicity is particularly important in the cases where the proper amount of the price paid by the consumer is not being passed on to the farmer, but is being unjustifiably retained as a margin by the middleman. Effective work on making public undue spreads between prices paid by consumers and prices received by farmers has already been done by the Counsel in a number of instances.

"The CONSUMERS' GUIDE, issued by the office of the Counsel and sent free of application, is the vehicle through which pertinent information regarding price movements and living costs is transmitted to individuals and groups concerned with the consumer's interest."

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FARMS INCREASE IN NUMBER

An editor of a farm journal requests information on the number of farms in the United States. Dr. O. E. Baker of the Bureau of Agricultural Economics says that an increase of nearly 10 percent in the number of farms for the nation as a whole is shown in preliminary census returns. It is the first national increase in farms since 1910. Incomplete returns indicate that in the nation last January there were about 6,800,000 farms, the largest number in our history. Increases have been greatest in the South Appalachian Mountain region and near large cities. Increases, however, are reported from almost all regions of the country, except about a fourth of the cottonbelt counties.

As defined by the census, a farm is "all land which is directly farmed by one person" (or a partnership or company). The farm must consist of not less than 5 acres, unless its products were valued at \$250 or more. Consequently, says Dr. Baker, "a high-producing cow with a little land might qualify as a farm." He adds that if the \$250 limit were raised, many a farm in the Southern Appalachians which is the sole support of a family would not be a farm, according to the census definition. In this region, the increase in farms is attributed to the return of sons, daughters, and other relatives from Pittsburgh, Cleveland, Akron, Detroit and other cities. For, as the depression developed, these people joined the old folks on farms. Also, there has been a backing up on farms of youth who in pre-depression times shifted to the cities.

Since the depression began, many families from cities have occupied abandoned or semi-abandoned farms in the northeastern states. Almost all of the habitable but dilapidated houses and shacks on farms in these states have been tenanted in the last four years. Assistant Secretary of Agriculture M. L. Wilson in a recent speech at Bozeman, Mont., said that in the eastern third of the United States there are eroded hillside and rolling lands where it is difficult for people to eke out an existence. Many of the farms in these regions were abandoned years ago. They would have remained abandoned "had not the depression driven jobless city people into the country until now almost every habitable shack or farmhouse in the United States has a family in it."

Some of the abandoned farms in the Northeast, as a farm editor in that region remarks, "may be permanently occupied and may offer opportunities to distressed people; but at the other extreme, are farms where, due to location and lack of good, tillable land, permanent occupation of the farm buildings will mean low standards of living and hardships to the family". The permanent use of such places is not to be encouraged. Other countries have faced this problem".

The editor just quoted goes on to say that not long ago Walter E. Elliott, Minister of Agriculture and Fisheries in England, said this:

"The remarkable stability of a peasant community has been pointed out to me; how independent the small holder is of markets and prices; how he has succeeded in living through the present crisis when many capitalist wage-earning farmers have come to grief. Most of us still possess enough of the cultivator's

instinct to keep ourselves from starvation. If we were planning for a complete breakdown of our economic system, the safest thing to do would be for us to take up our little bits of land and delve and spin like Adam and Eve. But I think it wiser and better to plan for prosperity than for ruin".

By laying off factory and office workers and cutting down production, manufacturing industries have forced thousands of people back on eroded, impoverished land which is incapable of sustaining them, or on other land which is thus brought into increased food production.

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